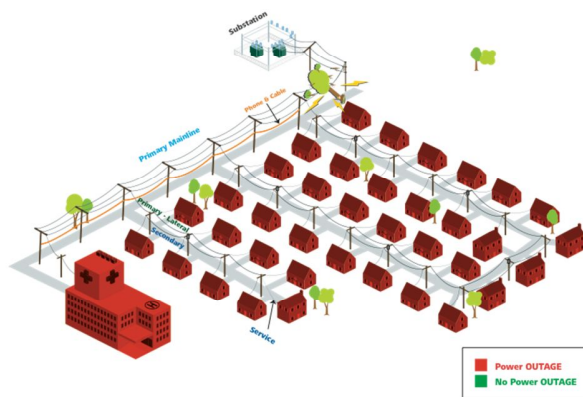




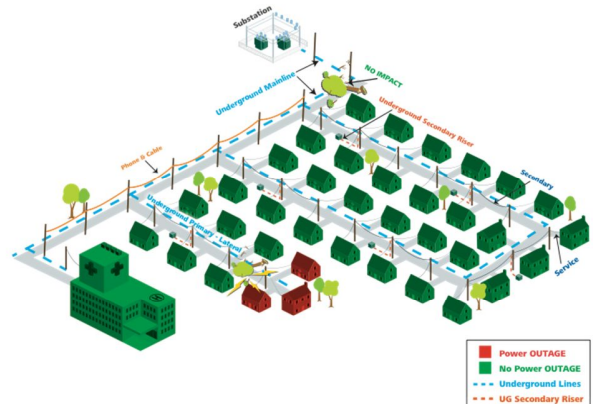
Making your electric system more resilient.™

# FACT SHEET

## EXISTING OVERHEAD SYSTEM



## PROPOSED UNDERGROUND PLAN



## ABOUT THE DC PLUG INITIATIVE

- In August 2012, an order by Mayor Vincent C. Gray established the Mayor's Power Line Undergrounding Task Force, charged with evaluating options that would prevent extended electric service outages caused by significant weather events.
- The 18-member panel included government officials, regulators, local utility industry executives and residents of neighborhoods often affected by power outages.
- The Task Force in May 2013 presented a recommendation to Mayor Gray for a unique public-private partnership between Pepco and the District Department of Transportation (DDOT) to underground select primary electric lines.
- Enabling legislation was introduced to the Council of the District of Columbia, and the Electric Company Infrastructure Improvement Financing Act of 2014 became law in May 2014.
- Benefits of the \$1 billion, 7- to 10-year initiative include, but are not limited to, improved reliability day to day and during severe storms, reduced outages and faster restoration and economic benefits including new jobs for District of Columbia residents.
- Funding for the initiative will come through a combination of Pepco debt and equity (\$500 million), funding provided by the District as part of DDOT Capital Improvement funding (\$62 million up to \$125 million) and funds obtained from securitized bonds issued by the District (\$375 million). Recovery of the costs will come through two surcharges on Pepco customers' bills.
- In order to implement the recommendations, the Public Service Commission (PSC) of the District of Columbia will first need to approve the Triennial Plan, which was filed in June 2014. The Triennial Plan includes the selection of the first 21 overhead primary power lines to be placed underground 2015-2017 based on the selection process recommended by the Task Force and the surcharge established to cover Pepco's capital costs and expenses associated with the undergrounding effort. In addition, the PSC will

September 2014

need to approve the Financing Order Application, which authorizes the District to issue up to \$375 million of bonds and establishes a surcharge for the recovery of the cost of bond issuance and repayment. A decision on the applications is expected in the third quarter 2014.

- The estimated monthly bill impact on the average residential customer:

	<b>Triennial Plan</b>	<b>Financing Order</b>
Year 1	\$ .18 per month	\$1.12 per month
Year 2	\$ .52 per month	\$1.12 per month
Year 3	\$ .91 per month	\$1.12 per month

- Residential Aid Discount customers will be exempt from both of the DC PLUG surcharges.

## **WHERE WORK WILL OCCUR**

- The areas identified in the Triennial Plan will include the high-voltage feeders most affected by outages that occurred on the overhead electric system primarily within Wards 3, 4, 5, 7 and 8. These wards have the greatest problems with electric service outages following major storms because of the inherent vulnerability of overhead power lines to damage from wind and downed trees. Secondary and service lines will remain overhead on the existing poles.
- The electrical system in Wards 1, 2 and 6 already are largely underground.
- Construction is expected to begin in the first half of 2015.
- Pepco's existing reliability enhancement program will be continued in all wards.
- DC PLUG will coordinate with the Urban Forestry Administration to help ensure that protection and maintenance of vegetation is a project design factor.

## **BENEFITS**

- By undergrounding the primary mainline, primary lateral power lines and associated equipment, Pepco is expecting, on average, to reduce the frequency and duration of outages caused by the overhead power lines by 95 percent on improved feeders.
- Improvement of electric service reliability will attract business investment, support economic growth, and upgrade a critical component of the District's infrastructure.
- The DC PLUG initiative will also contribute to the economy of the District of Columbia by stimulating economic growth through job creation.
- An important aspect of the DC PLUG initiative is a commitment to hire District of Columbia residents and contractors for the initiative.

## **CUSTOMER EDUCATION**

- Responsive and reliable information is critical for successful implementation of the DC PLUG initiative.
- As with any major construction project, there will be disruption of traffic and associated impacts during the period of construction, although the work will be staged in such a manner that there should be no prolonged service interruptions.
- DDOT and Pepco will work to minimize any adverse impacts to the extent that they can.
- The affected communities will be informed well in advance of construction of what can be expected and what will be done to mitigate those adverse impacts on the neighborhoods.
- The Triennial Plan also outlines an education and communications strategy to help residents, businesses and other stakeholders understand the scope of the initiative and expected impacts, planned activities for the target areas, the infrastructure improvement process and the schedule.